

CHAPTER 13

SECTION 6.7

PSYCHIATRIC PARTIAL HOSPITALIZATION PROGRAM REIMBURSEMENT

Issue Date: July 14, 1993

Authority: [32 CFR 199.14\(a\)\(2\)\(ix\)](#)

I. ISSUE

Reimbursement of Psychiatric Partial Hospitalization Programs

II. POLICY

A. Per diem payment for psychiatric partial hospitalization services. Psychiatric partial hospitalization services authorized and provided (under [32 CFR 199.4\(b\)\(10\)](#) and provided by institutional providers authorized under [32 CFR 199.6\(b\)\(4\)\(xii\)](#)) are reimbursed on the basis of prospectively determined, all-inclusive per diem rates. The per diem payment amount must be accepted as payment in full for all institutional services provided. The following services and supplies are included in the per diem rate approved for an authorized partial hospitalization program and are not covered even if separately billed by an individual professional provider.

1. Board. Includes use of the partial hospital facilities such as food service, supervised therapeutically constructed recreational and social activities, and other general services as considered appropriate by the Director, TMA, or a designee.

2. Patient assessment. Includes the assessment of each individual accepted by the facility, and must, at a minimum, consist of a physical examination; psychiatric examination; psychological assessment; assessment of physiological, biological and cognitive processes; developmental assessment; family history and assessment; social history and assessment; educational or vocational history and assessment; environmental assessment; and recreational/activities assessment. Assessments conducted within 30 days prior to admission to a partial program may be used if approved and deemed adequate to permit treatment planning by the partial hospital program.

3. Psychological testing and assessment.

4. Treatment services. All services including routine nursing services, group therapy, supplies, equipment and space necessary to fulfill the requirements of each patient's individualized diagnosis and treatment plan (with the exception of the psychotherapy as indicated in [paragraph II.B.1.](#) below). All mental health services must be provided by a TRICARE/CHAMPUS authorized individual professional provider of mental health services. [Exception: PHPs that employ individuals with master's or doctoral level degrees in

a mental health discipline who do not meet the licensure, certification and experience requirements for a qualified mental health provider but are actively working toward licensure or certification, may provide services within the all-inclusive per diem rate but the individual must work under the clinical supervision of a fully qualified mental health provider employed by the PHP.]

5. Ancillary therapies. Includes art, music, dance, occupational, and other such therapies.

6. Overhead and any other services for which the customary practice among similar providers is included as part of the institutional charges.

B. Services which may be billed separately. The following services are not considered as included within the per diem payment amount and may be separately billed when provided by an authorized individual professional provider:

1. Psychotherapy sessions. Professional services provided by an authorized individual professional provider (who is not employed by or under contract with the partial hospitalization program) for purposes of providing clinical patient care to a patient in the partial hospitalization program may be cost-shared when billed by the individual professional provider. Any obligation of a professional provider to provide services through employment or contract in a facility or distinct program of a facility would preclude that professional provider from receiving separate TRICARE/CHAMPUS reimbursement on a fee-for-service basis to the extent that those services are covered by the employment or contract arrangement. Psychotherapy services provided outside of the employment/contract arrangement can be reimbursed separately from the PHPs per diem. Professional mental health benefits are limited to a maximum of one session (60 minutes individual, 90 minutes family, etc.) per authorized treatment day not to exceed five sessions in any calendar week in any combination of individual and family therapy. Five sessions per week is an absolute limit, and additional sessions are not covered.

NOTE: Group therapy is strictly included in the per diem and cannot be paid separately even if billed by an individual professional provider.

2. **Primary/Attending Provider.** When a patient is approved for admission to a partial hospitalization program, the primary or attending provider (if not contracted or employed by the partial program) may provide psychotherapy only when the care is part of the treatment environment which is the therapeutic partial program. That is why the patient is there--because that level of care and that program have been determined as medically necessary. The therapy must be adapted toward the events and interactions outlined in the treatment plan and be part of the overall partial treatment plan. Involvement as the primary or attending is allowed and covered only if he is part of the coherent and specific plan of treatment arranged in the partial setting. The treatment program must be under the general direction of the psychiatrist employed by the program to ensure medication and physical needs of the patients are met and the therapist must be part of the treatment team and treatment plan. An attending must come to the treatment plan meetings and his/her care must be coordinated with the treatment team and as part of the treatment plan. Care given independent of this is not covered.

3. Non-mental health related medical services. Those services not normally included in the evaluation and assessment of a partial hospitalization patient and not related to care in the partial hospitalization program. These medical services are those services medically necessary to treat a broken leg, appendicitis, heart attack, etc., which may necessitate emergency transport to a nearby hospital for medical attention. No separate billing for medical services is allowed from the partial hospitalization program. Ambulance services may be cost-shared when billed for by an authorized provider if determined medically necessary for emergency transport.

C. Per diem rate.

1. For any full day partial hospitalization program (minimum of 6 hours), the maximum per diem payment amount is 40 percent of the average inpatient per diem amount per case paid to both high and low volume psychiatric hospitals and units (as defined in [32 CFR 199.14\(a\)\(2\)](#)) by Federal census region during fiscal year 1990. The average will be based upon TRICARE/CHAMPUS claims processed to completion during the above period and updated to the current year using the same factors as used under the TRICARE/CHAMPUS mental health per diem reimbursement system. A partial hospitalization program of less than 6 hours (with a minimum of three hours) will be paid a per diem rate of 75 percent of the rate for full-day program. Programs treating children and adolescents must ensure the provision of a state certified educational component which assures that patients do not fall behind in educational placement while receiving partial hospital treatment. TRICARE/CHAMPUS will not fund the cost of educational services separately from the per diem rate. The hours devoted to education do not count toward the therapeutic half or full day program. See [Chapter 13, Addendum 3](#), for the current maximum rate limits which are to be used as is for the full day and half day program. No adjustments are necessary other than applying the beneficiary cost-share and updating annually using the annual update factor provided by TRICARE/CHAMPUS. (Effective for Fiscal Years 1996 and 1997 the rates will be frozen at the maximum rates effective for admissions on or after April 6, 1995.)

2. Claims priced by day of service. All claims reimbursed under the TRICARE/CHAMPUS partial mental health per diem payment system are to be priced for each day of service (using the rate in effect on the day of service) regardless of when the claim is submitted. Any adjustments to such claims will also be priced as of the day of service. In order to do this, contractors shall maintain at least three (3) iterations of per diem rates in the contractor's on-line system. If the claim filing deadline has been waived and the day of service is more than three years before the reprocessing date, the affected claim or adjustment is to be priced using the earliest per diem rate on the contractor's system.

D. Cost-sharing. Cost-sharing for partial hospitalization is on an inpatient basis. The inpatient cost-share also applies to the associated psychotherapy billed separately by the individual professional provider. These providers will have to identify on the claim form that the psychotherapy is related to a partial hospitalization stay so the proper inpatient cost-sharing can be applied. Effective for care on or after October 1, 1995, the cost-share for active duty family members for inpatient mental health services is \$20 per day for each day of the inpatient admission. For care prior to October 1, 1995, the cost-share will be the daily rate or \$25.00, whichever is greater. For retirees and their dependents, the cost-share is 25 percent of the allowed amount. Since inpatient cost-sharing is being applied, no deductible is to be taken for partial hospitalization regardless of sponsor status. The cost-share for active duty family members is to be taken from the partial hospitalization program claim.

E. Other requirements.

1. No payment is due for leave days, for days in which treatment is not provided, for days in which the patient does not show up, or for days in which the duration of the program services was less than three hours.

2. No payment is due for care for which authorization has not been issued by the mental health review contractor regardless of whether the claim is from the partial hospitalization program or an individual professional provider rendering services in the partial program. No payment is due for care in excess of the 60-day partial hospitalization limit, unless a waiver is issued by the mental health review contractor for care beyond the limit.

3. No payment is due to a partial hospitalization facility, freestanding or hospital-based, that has not been certified and entered into a participation agreement with TRICARE/CHAMPUS.

4. Any situation in which fee-for-service claims are received which should have been included in the per diem, such as ancillary services (includes art, music, dance, occupational and other such therapies), psychological testing and assessments, overhead and any other services for which the customary practice among similar providers is included as part of the institutional charges are to be handled under the provisions of the **OPM Part Two, Chapter 7**.

F. Related Issuances.

1. **Chapter 1, Section 12.1G**, Psychiatric Partial Hospitalization Programs - Preauthorization And Day Limits.

2. **Chapter 10, Section 1.6**, Psychiatric Partial Hospitalization Program Certification Standards.

3. **Chapter 11, Section 11.8**, Psychiatric Partial Hospitalization Program Certification Process.

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